Dallas Creek Water Company

May 3, 2017

Community Newsletter

Serving South Log Hill Mesa, Ridgway CO

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Of Interest

- Joanne Fairchild and Carol Veltri have retired from the DCWC office. Bobbi Rouse is the new Administrator and Pam Mencimer is the new Accountant.
- DCWC worked with the PUC staff in order to avoid contested PUC а proceeding and to thereby keep rates as low as possible for DCWC's customers. However due to the intervention and opposition of a few parties, DCWC incurred additional rate case legal fees and expenses, causing higher rates for all customers.
- DCWC in conjunction with JKC Utilities has offered to provide water to Divide Golf since 1993. We are under contract to provide a minimum of 30 acre feet of water per year until 2022.

The rate increase goes into effect May 3, 2017

The Settlement Agreement filed on March 6, 2017 by Dallas Creek Water Company, Inc. (DCWC), Staff of the Colorado Public Utilities Commission (PUC), the Association of Dallas Creek Water Users, Inc. (ADCWU), and Fairway Pines Estates Owners Association (FPEOA) was recommended by the Administrative Law Judge (ALJ) for PUC approval without modification. The ALJ granted the request by ADCWU and FPEOA to withdraw their interventions. The ALJ's decision can be read in full on our website. Below is a summary of a few key settlement agreement terms and outcomes:

- 1. All Parties do not intend to expand, limit, or alter in any way the Commission's current power and authority to regulate DCWC as a small, privately-owned public utility.
- 2. The Parties recognize and agree that the Commission previously determined DCWC's water supply to be adequate to serve the anticipated growth within its approved service territory.
- 3. The Parties recognize and agree that the Commission's authority includes the general jurisdiction to monitor, address, facilitate, oversee and regulate matters related to the adequacy of DCWC's water supply, including DCWC's performance of its contractual obligations and enforcement of contractual obligations under DCWC's water supply lease with JKC Utilities, LLC. DCWC stands by its belief that the water rights with JKC Utilities, LLC are an excellent value to DCWC's customers and provide a secure and dependable water supply for the company.
- 4. The Parties recognize and agree that the Commission's authority includes the general jurisdiction to monitor, address, facilitate, oversee and regulate matters related to DCWC's emergency water supply in the event of a severe drought and other potential disaster scenario to Dallas Creek, the source water for DCWC's water supply; as well as, any future agreement that DCWC might enter into with the Tri-County Water Conservancy District (TCW) for future interconnection of DCWC and TCW's water systems for purposes of emergency water supply. DCWC will file a report with the Commission within one year of the conclusion of the proceeding, describing the efforts and progress made towards addressing additional redundant emergency water supplies.

Can Dallas Creek dry up and leave us without water? The concern about

having drought protection has always been part of our water supply plan. Protection is found in the security of our priority 39, 42 and 100 summer flow water rights dating back to 1879, 1880 and 1885. Our senior water rights have not been called out even in the driest of years, like 2002. And, we would have the ability to call out other upstream water rights junior to ours in the event of low creek flow at our pumping plant intake. We consider it a very low and improbable risk of ever being unable to meet our customer water demand. We have NEVER had to place a call on junior water rights since inception of the water company over 40 years ago, even during drought periods. Without pumping any water, current storage of raw and treated water will provide 39 days of 100 gpd emergency service. If we added restricted pumping to the storage time line, this would greatly extend our days of storage.

Is the disaster risk to our water valid? The risk of a potential contamination of Dallas Creek by a hazardous chemical spill or other event is something we take seriously. We presently have 39 days of backup water storage supply while imposing a 100 gpd per household restriction without having to pump from our source water on Dallas Creek. Recognizing the importance of protecting our creek water we completed our State of Colorado Source Water Protection Plan in August 2016 and we are committed to ensuring that our water service is safe and reliable at a just and reasonable rate to our customers. This is available to view on our website: www.dallascreekwater.com

Effective May 3, 2017 - rates will be increased as follows:

	Old Rate	New Rate
Base Service Charge	\$41.01	\$44.76
Meter In-Service Charge	\$32.50	\$33.70
Customer Usage Fee per 1,000 gallons	\$8.56	\$9.45
Water Distribution Fee per 1,000 gallons	s \$1.38	\$1.52

Learn More....

More information is on our website, <u>www.dallascreekwater.</u> <u>com</u>

Contact PUC....

You may file your comments to the

Colorado Utilities Commission, 1560 Broadway, Suite 250, Denver CO 80202,

or by email address, <u>DORA PUC website</u> <u>@state.co.us</u>.

Reference:

Proceeding No.

16AL-0829W

Dallas Creek Water Company, Inc.